

## PURCHASING

### BUDGET UNIT: MAIL/COURIER SERVICES (IAY PUR)

#### I. GENERAL PROGRAM STATEMENT

Mail/Courier Services provides interoffice, U.S. Postal, and courier services to agencies, departments, and special districts within the county.

The Purchasing – Mail/Courier Service budget unit is an Internal Service Fund (ISF). As an ISF, any unrestricted net assets available at the end of a fiscal year are carried over to the next fiscal year and are used for working capital and for replacement of fixed assets. Any excess or shortage is incorporated into the rate structure.

#### II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Actual 2002-03	Budget 2003-04
Total Operating Expense	6,831,149	7,608,480	7,313,821	7,838,417
Total Revenue	6,893,169	7,900,000	7,419,258	8,067,704
Revenue Over/(Under)	62,020	291,520	105,437	229,287
Budgeted Staffing		35.0		34.0
Fixed Assets	27,721	54,196	11,248	56,843
Unrestricted Net Assets Available at Yr End	439,133		538,427	
<b>Workload Indicators</b>				
Interoffice Mail Pickup-Delivery	151,835	150,000	154,082	153,787
Inserting/Intel Insert	8,198,148	8,200,000	8,219,293	8,300,000
Folding/Tab-Label	12,133,771	13,000,000	11,746,024	13,200,000
Bus Rply/Postage Due	201,305	175,000	267,877	320,000
Mail Pieces Processed	14,106,854	14,300,000	14,427,444	14,500,000

Variance in operating expenses between budget and actual in 2002-03 is due primarily to savings in services and supplies. Significant variance in revenue between budget and actual in 2002-03 is a result of lower than anticipated services.

#### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

##### STAFFING CHANGES

Per Board direction a vacant 1.0 Mail Clerk II budgeted position that was not in recruitment was deleted during budget adoption.

##### PROGRAM CHANGES

None.

GROUP: Internal Services DEPARTMENT: Central Mail Services FUND: Internal Services IAY PUR			FUNCTION: General ACTIVITY: Mail & Courier Svcs		
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b>Appropriation</b>					
Salaries and Benefits	1,127,086	1,096,000	1,196,730	61,033	1,257,763
Services and Supplies	6,136,710	6,416,552	6,417,329	52,843	6,470,172
Central Computer	5,299	5,509	2,278	-	2,278
Other Charges	1,897	30,340	30,340	(12,599)	17,741
Transfers	42,829	49,079	48,501	2,962	51,463
Total Appropriation	7,313,821	7,597,480	7,695,178	104,239	7,799,417
Depreciation	-	11,000	11,000	28,000	39,000
Total Operating Expense	7,313,821	7,608,480	7,706,178	132,239	7,838,417
<b>Revenue</b>					
Current Services	7,190,264	7,600,000	7,697,698	70,006	7,767,704
Other Revenue	228,994	300,000	300,000	-	300,000
Total Revenue	7,419,258	7,900,000	7,997,698	70,006	8,067,704
Revenue Over/(Under) Exp.	105,437	291,520	291,520	(62,233)	229,287
Budgeted Staffing		35.0	35.0	(1.0)	34.0
<b>Fixed Asset Exp.</b>					
Vehicle	-	20,000	20,000	(20,000)	-
Lease	11,248	34,196	34,196	22,647	56,843
Total Fixed Assets	11,248	54,196	54,196	2,647	56,843

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### Total Changes Included in Board Approved Base Budget

Salaries and Benefits	36,459	MOU.
	63,237	Retirement.
	1,034	Risk Management Workers' Comp.
	<u>100,730</u>	
Services and Supplies	<u>777</u>	Risk Management Liabilities.
Central Computer	<u>(3,231)</u>	
Transfers	<u>(578)</u>	Incremental Change in EHAP.
<b>Revenue</b>		
Current Services	<u>97,698</u>	Increase anticipated from Board approved mail rates.
Total Operating Expense	97,698	
Total Revenue Change	97,698	
Total Revenue Over/(Under) Exp	-	
Total 2002-03 Operating Expense	7,608,480	
Total 2002-03 Revenue	7,900,000	
Total 2002-03 Rev Over/(Under) Exp	291,520	
Total Base Budget Operating Expense	7,706,178	
Total Base Budget Revenue	7,997,698	
Total Base Rev Over/(Under) Exp	291,520	

### Board Approved Changes to Base Budget

Salaries and Benefits	86,941	Additional increase due to salary step increases.
	6,388	Workers Comp. Experience Modification.
	<u>(32,296)</u>	Deletion of a vacant 1.0 Mail Clerk II.
	<u>61,033</u>	
Services and Supplies	59,489	Increase is primarily due to a substantial increase in COWCAP charges.
	<u>(6,646)</u>	GASB 34 Accounting Change (EHAP).
	<u>52,843</u>	
Other Charges	<u>(12,599)</u>	There is an anticipated net decrease in Interest expense.
Transfers	2,566	Increase in administration (AAA PUR) reimbursement.
	6,646	GASB 34 Accounting Change (EHAP).
	<u>(6,250)</u>	Delete proportional share of vehicle purchase.
	<u>2,962</u>	
Depreciation	<u>28,000</u>	Increase due to depreciation on new equipment.
Total Operating Expense	<u>132,239</u>	
<b>Revenue</b>		
Current Services	70,006	Total anticipated increase from Board approved mail rates is \$200,000 with \$97,698 applied to offset base year adjustment costs. Mail rates were last adjusted five years ago.
Total Revenue	<u>70,006</u>	
Total Rev Over/(Under) Exp	<u>(62,233)</u>	
<b>Fixed Asset Exp</b>		
Vehicles	<u>(20,000)</u>	No anticipated expense.
Lease	22,647	Increase due to lease-purchase of two replacement non-intelligent inserters with six stations at a cost of \$140,000. This equipment is required for the day-to-day handling of the mail products and is a 5-year lease-purchase.
Total Fixed Assets	<u>2,647</u>	